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**An Overview of Brown County's 2010 Annual Trending**

The following steps were taken to conduct the 2010 annual trending in Brown County:

**General Overview:**

Overall the Brown County market remains stable. The number of home sales has been down but prices have remained relatively flat. Sales from 1/1/2008 through 2/28/2010 were used in this trending process. There was no time adjustment of any sales, due to percentage of change remaining flat. Within the county, sales around the Cordory/Sweetwater Lake and Lake Lemmon area remain strong. Where necessary (commercial class groups) sales from 2007 were also utilized to ensure a required sample size was achieved for statistical analysis.

Sales were the basis for any change in assessments for residential improved and unimproved properties. Each neighborhood was reviewed on its own merit and changed accordingly

Updated cost tables were the basis for any change in assessments for improved commercial and industrial properties. The cost table adjustments resulted in certain property classes reflecting an increase in their base price, while others reflected a decrease in their base price. Depreciation was updated to the year 2010. Based upon the age of the property determined how much if any additional depreciation was credited to the property. Those properties that were already fully depreciated were not affected by this depreciation year change.

**Land Values:**

New land values were reviewed and remained rather constant county wide for both residential and commercial/industrial properties. The entire land review process resulted in minimal amount of change. The primary change in assessments for these classes was conducted through the use of change in market adjustment factors (residential improved) and cost table/depreciation adjustments (commercial/industrial improved).

Within the commercial vacant group, there were only a total of four (4) valid sales available for use. The PRD is out of the standard but due to the limited number of sales,

the Spearman Rank test can not be conducted to determine the validity of this statistical result.

#### **Revision:**

**Brown County respectively requests that the out of standard PRD for the vacant commercial classification be accepted. As stated above the PRD can not be validated with the Spearman Rank test due to less than 5 sales. The 2009 ratio study was approved by the DLGF with a PRD of .932 (only 3 sales). For the 2010 ratio study, I used the same 3 sales as last year along with the one (1) valid 2009 sale. Looking back to prior ratio studies (2007 and 2008), there never has been greater than 4 sales available for use. Only the township of Washington has more than 25 parcels assigned to this classification. Brown County is committed to using as many sales as possible. If the multiple parcel sale from 2008 was excluded, the median = 1.01, the COD = 3.63 and the PRD = 1.0237. However, this sale was not excluded in attempt to use as many sales as possible, despite only sales from 1/1/2009 through 2/28/2010 being required.**

#### **Market Adjustment Factors (Residential):**

Each and every neighborhood was reviewed on its own sales information. If a market adjustment factor was warranted a new factor was calculated and entered into the CAMA system. When necessary neighborhoods were combined for review of their sales trend and adjusted accordingly (if any). This analysis resulted in various neighborhoods remaining constant while others saw an increase or a decrease. As stated above, Brown County remains stable as a whole, but certain areas within the county is experiencing growth and certain areas have seen some downward trend. The change is not constant throughout the entire county due to the extreme variety of land, scenic views and variety of nature areas throughout the county.

#### **Cost Table Updates (Commercial):**

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The depreciation year was also change. Due to the lack of improved commercial sales throughout the entire county, all townships were combined together for statistical analysis. These results were also reported for the industrial improved class as there is only a total of seven (7) parcels county wide classified as industrial improved.

#### **Analysis of Residential Sold Properties versus Unsold Properties**

An analysis study was completed for improved residential properties to determine if sold properties changed at the same level as unsold properties. This data was reviewed at the township level and at a neighborhood level. The sold percentage versus the unsold percentage within Hamblen township is skewed due to the majority of the sales are concentrated within two neighborhoods. Within these two neighborhoods the sold versus the unsold percentage is equitable (2.6 vs. 2.5)

#### **Use of Sales information**

Brown County is committed to utilizing as many valid sales as possible, including multiple parcel sales. As stated above, the primary time period for sales used was from January 1, 2009 through February 28, 2010. Sales from the 2008 time period were used (no time adjustment) along with sales from 2007 in rare instances. A worksheet within the ratio study titled "09 trimmed sales" list the 2009/2010 sales that were originally marked as being valid for trending process and an explanation as to why they were not used. The number of trimmed sales is rather significant due to improper coding at time of submission.